

**Property Tax Rates and Selected User Fees  
For Major North Carolina Cities October 2001**

In order to effectively compare the cost of services provided, the City of Greensboro periodically compares its tax rate and major service fees to those charged in other cities in North Carolina. It is important to include these fees as well as the property tax rate due to the increasing practice of charging fees to provide major services. Examples of these fees include water and sewer rates, solid waste and recycling fees, storm water fees and motor vehicle license fees.

To accurately compare property tax rates, the effective tax rate must be used. The effective property tax rate is calculated by multiplying the sales assessment ratio by the current property tax rate. The sales assessment ratio is defined as the percentage of market value represented by the current property tax rate and is calculated by the State of North Carolina for each county. This allows for comparative tax rates even though revaluation of property occurs at different times among counties.

Current effective property tax rates, average residential water and sewer bills, solid waste and recycling fees, storm water fees, and motor vehicle license fees were compared in the following North Carolina cities:

Charlotte, Durham, Greensboro, Raleigh and Winston-Salem

In order to make an effective comparison the cost to a homeowner of a \$100,000 home and two vehicles is used. Annual costs of taxes (both existing rate and effective rate) and these selected fees for such a homeowner is shown below:

<b>City</b>	<b>Existing Tax Rate/Fees</b>	<b>Effective Tax Rate/Fees</b>
<b>Durham</b>	<b>\$941.68</b>	<b>\$941.68</b>
<b>Charlotte</b>	<b>\$951.44</b>	<b>\$896.04</b>
<b>Greensboro</b>	<b>\$969.94</b>	<b>\$881.24</b>
<b>Winston-Salem</b>	<b>\$697.32</b>	<b>\$696.02</b>
<b>Raleigh</b>	<b>\$644.44</b>	<b>\$630.23</b>

As shown above, the cost to a homeowner of a \$100,000 residence and two vehicles varies by over \$300 among the five cities. Greensboro's cost ranks in the middle of the five cities when using the effective tax rate. The annual cost of effective taxes and these selected fees in Greensboro is over \$250 more than in Raleigh and \$185 more than in Winston-Salem; and is \$60 less than in Durham and approximately \$15 less than in Charlotte.

It is also important to note that the City of Greensboro is the only city that operates and funds a public library system, which represents 5.5 cents of the tax rate (approximately \$55 annually for a \$100,000 residence.) This is a county function in the other cities. The next page gives specific data for each city and depicts the annual costs graphically for each city.

## Property Tax Rates and Selected User Fees For Major North Carolina Cities October 2001

FEE	CHARLOTTE	DURHAM	GREENSBORO	RALEIGH	WINSTON-SALEM
Current Property Tax Rate	.4670	.5340	.5825	.3850	.4600
Current Sales Assessment Ratio	88.13%	100.00%	84.77%	96.29%	99.72%
Effective Property Tax Rate*	.4116	.5340	.4938***	.3707	.4587
Average Monthly Residential Water/Sewer Bill	\$26.22	\$30.44	\$23.68	\$20.32	\$15.11
Monthly Solid Waste and Recycling Fee	\$3.83	\$0	\$4.50	\$1.30	\$0
Monthly Storm Water Fee	\$4.15 - \$5.32**	\$1.80 - \$2.70**	\$2.44	\$0	\$3.00
Annual Motor Vehicle License Fee	\$30	\$5	\$10	\$0	\$10

\*The effective property tax rate is calculated by multiplying the sales assessment ratio by the current property tax rate. The sales assessment ratio is defined as the percentage of market value represented by the current property tax rate and is calculated by the State of North Carolina for each county. This allows for comparative tax rates even though revaluation of property occurs at different times among counties.

\*\*In Charlotte the monthly storm water fee is \$4.15 for residential units less than 2,000 square feet and \$5.32 for residential units at or above 2,000 square feet. In Durham the monthly storm water fee is \$1.80 for residential units less than 2,000 square feet and \$2.70 for residential units at or above 2,000 square feet.

\*\*\*Includes operation of a public library system. Other cities do not fund this service.

## Annual Effective Property Taxes and Selected Fees In Major North Carolina Cities - October 2001

